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Elbit Systems Anti-Bribery Compliance Policy

Executive Summary

The purpose of this Policy is to assist employees in identifying anti-bribery related issues and in understanding and complying with applicable anti-bribery standards.

Guidelines:-

- Compliance with anti-bribery laws and regulations.
- Compliance with Company policy on business entertainment and gifts.

The Elbit Systems companies are committed to conducting our business based upon ethical best practices and principles, including compliance with anti-bribery standards.

Elbit Systems is active in numerous markets, requiring compliance with the anti-bribery laws of many jurisdictions. This includes:

- Applicable Israeli law, such as:
  * Israel's ratification of the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the **OECD Convention**).
  * Various Israeli laws and regulations, such as Section 291 of the Penal Code, regarding anti-bribery in domestic and international transactions.
- Since Elbit Systems Ltd.'s shares are publicly traded on the Nasdaq National Market in the U.S., we are subject to the United States Foreign Corrupt Practices Act (**FCPA**).
- Other anti-bribery laws throughout the world applicable in the countries in which we do business, such as the UK Bribery Act.

Failure to comply with this Policy may result in significant civil and criminal penalties against the Company and the individuals involved and is grounds for disciplinary action against such individuals, including potential termination of employment. This Policy supplements our Code of Conduct and Business Ethics (see www.elbitsystems.com – "About Us – Ethics and Conduct" or "Investor Relations – Corporate Governance – Ethics and Conduct") and other related policies and procedures.

This Policy applies to:-

- All directors, officers and employees of Elbit Systems Ltd. and our major business divisions in Israel and our wholly-owned and/or controlled subsidiaries worldwide (collectively the **Company**). (Subsidiaries in the U.S. and in other countries outside Israel are required to adopt an anti-bribery policy consistent with this Policy as well as with applicable local laws and regulations relating to anti-bribery.)
- Consultants and Representatives - consistent with section "Consultants and Representatives" below, compliance with anti-bribery laws will be reflected in Company agreements with consultants and representatives.
- Subcontractors and Suppliers - as part of our Supplier Code of Conduct (see Subcontractors and Suppliers section below), subcontractors and suppliers are required to comply with applicable anti-bribery laws and regulations.

Any questions about this Policy should be addressed to the Legal Department or the Chief Compliance Officer (**CCO**).

1. General

1.1 General Prohibition

Company directors, officers and employees are prohibited from making a "bribe" - giving, offering or promising "anything of value" to a Government Official with the intent to obtain any "business or any other advantage". The above statement should be interpreted broadly.

The following concepts are essential to understanding the scope of the prohibition.

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"*Bribery*"

Giving, offering or promising anything of value to a Government Official with the intent to obtain any business or other advantage.

"*Government Official*"

(1) Officers and employees, regardless of rank, of local and national governments, and anyone who holds a position within a legislative or juridical body, or holds a position in any entity established according to a legislative act.
(2) Officials of government-owned or controlled companies.
(3) Officials of public international organizations (such as the United Nations or World Bank).
(4) Political parties, political officials and candidates for public office.

"*Direct or Indirect*"

If you are prohibited from making any payment, gift, offer or promise directly, you are also prohibited from making it indirectly.

You may not instruct, authorize or allow a third party to make a prohibited payment on your behalf, and you may not make a payment to a third party knowing or having reason to know that it will likely be given improperly to a Government Official.

"*Anything of Value*"

"Anything of value" includes not only cash and cash equivalents, but also gifts, entertainment, accommodations and anything else of tangible or intangible value.

However, certain business entertainment, gifts and travel expenses may be permissible as described in the "Business Entertainment, Gifts and Travel Expenses" section below.

"*Business or Other Advantage*"

Any improper payment to a Government Official in connection with Company business is prohibited, including payments to obtain government business or to gain any other advantage, such as reduction in taxes, tolerance of non-compliance with applicable rules or other favors or preferential treatment.

1.2 Facilitation Payments

Facilitation or "grease" payments are small payments to a low-level Government Official to expedite or secure performance of a routine, non-discretionary governmental action, such as obtaining utility services or clearing customs.

Such payments are prohibited under Israeli law and are against Company policy.

1.3 Record-Keeping

Employees must help to ensure that Company books and records (which include virtually all forms of business documentation) accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets.

No undisclosed or unrecorded fund or asset may be established or maintained for any purpose.

No employee will participate in falsifying any accounting or other business record. All employees must respond fully and truthfully to any questions from the Company's internal or independent auditors or other internal investigative functions.

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1.4 Reporting Violations

Violations of this Policy should be reported to the Legal Department of the applicable division, the Corporate Chief Legal Officer or the CCO.

Consistent with Company policy, there will be no retaliation or any adverse employment consequence for reporting information in good faith.

1.5 Training

Employees will be provided training regarding the Company's anti-bribery compliance policy.

2. Business Entertainment, Gifts and Travel Expenses

Entertaining or providing gifts to Government Officials, or paying for travel expenses for such officials, is a potential area of risk.

2.1 Business Entertainment

Company employees may only entertain Government Officials in situations where there is a valid business purpose and the entertainment is reasonable in view of such business purpose. Entertainment must provide an opportunity to address business issues and must not be lavish or otherwise prove embarrassing for the Company.

Business entertainment for Government Officials that meets the standards set forth above is permitted if it does not exceed U.S. $300 in value per person per occasion, and the employee arranging for such entertainment promptly thereafter submits documentation of the business entertainment and expense to his/her supervisor and to the finance department in accordance with applicable Company procedures for reimbursement of business expenses.

If the amount of the business entertainment is more than U.S. $300 per person per occasion, it is only permitted upon the approval of the applicable division general manager (or relevant Elbit Systems executive vice president if not related to a particular division). Amounts greater than U.S. $750 per person per occasion must also receive approval of the CCO.

2.2 Gifts

Gifts may only be given to Government Officials if they are of token or nominal value, are legal and customary in the jurisdiction in which they are given and in the jurisdiction in which the recipient of the gifts resides, and are given openly to the Government Official.

Pre-approval is not required for items with the Company logo or gifts valued at less than U.S. $100, but the expenses for such gifts must be supported by receipts and accurately recorded in the Company's books.

2.3 Travel Expenses

Payment of travel expenses, including food and lodging, for Government Officials is permissible only if directly related to the promotion or demonstration of Company business, or related to the performance of a contract to which the Company is a party.

Expenses beyond what is reasonably necessary for the business purpose, such as lavish accommodations or expenses for spouses and children, are not permitted.

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3. Consultants and Representatives

3.1 Related Procedures and Policies

Consultants or representatives who may interact with Government Officials in connection with Company business may only be retained following contracting processes and receipt of approvals specified in Company and division/subsidiary applicable procedures and policies.

Such policies provide, among other requirements, for sufficient, documented due diligence to be performed to enable the Company to conclude with reasonable assurance that the consultant or representative understands and will fully abide by relevant anti-bribery laws applicable to the Company's business.

The Company must have a written agreement with each such party, and the agreement must specifically bind such party to comply with all applicable anti-bribery laws, including, but not limited to, Israeli anti-bribery laws, the OECD Convention and the U.S. FCPA, as if such laws applied directly to such parties.

Consultants will be provided training with respect to the Company's anti-bribery compliance policy.

3.2 Red Flags

In all dealings with potential or current consultants or representatives, Company employees must be conscious of any "red flags" that may be present or arise suggesting possible violations of anti-bribery standards.

It is the responsibility of the employee who observes or suspects a red flag to report the matter to his or her supervisor as well as the Legal Department of the applicable division, the Corporate Chief Legal Officer or the CCO.

4. Subcontractors and Suppliers

In accordance with the Company's Supplier Code of Conduct (see www.elbitsystems.com – "About Us – Ethics and Conduct" or "Investor Relations – Corporate Governance – Ethics and Conduct"), the Company's subcontractors and suppliers are required to comply with applicable anti-bribery laws and regulations.